Paper N

University Hospitals of Leicester NHS
NHS Trust

To:	**TRUST BOARD**
From:	**MEDICAL DIRECTOR**
Date:	**2 JUNE 2011**
CQC regulation:	Outcome 16 – Assessing and Monitoring the Quality of Service Provision

Title:	**UHL STRATEGIC RISK REGISTER AND THE BOARD ASSURANCE FRAMEWORK (SRR/BAF) 2011/12**

Author/Responsible Director:
Risk and Assurance Manager/ Medical Director

Purpose of the Report:

- To provide the Board with a progress report for the development of the 2011/12 SRR/BAF.
- To provide the Board with a draft copy of the revised 2011/12 SRR/BAF for consideration

The Report is provided to the Board for:

Decision		Discussion	**X**
Assurance	**X**	Endorsement	**X**

Summary / Key Points:

- The 2011/12 SRR/BAF will be presented in a revised format to allow easier data entry and readability.
- Phase one of the SRR/BAF development is complete and the Board is presented with the risk register element of the SRR/BAF for consideration.
- Phase two of the development will be completed during June and a full SRR/BAF report will be presented to the Board in July.
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RECOMMENDATIONS:
The Trust Board is invited to:

a) Receive and note this report;
b) Consider and endorse the format of the report;
c) Confirm or challenge the accuracy of the mapping of UHL strategic risks to strategic objectives.

Previously considered at another corporate UHL Committee ? No (although organisational risks are reviewed at GRMC and the QPMG)

Strategic Risk Register Yes	**Performance KPIs year to date** N/A

Resource Implications (eg Financial, HR)
None

Assurance Implications
Yes

Patient and Public Involvement (PPI) Implications
N/A

Equality Impact
N/A

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Information exempt from Disclosure No
Requirement for further review? Monthly review required

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT TO: **TRUST BOARD**

DATE: **2 JUNE 2011**

REPORT BY: **MEDICAL DIRECTOR**

SUBJECT: **UHL STRATEGIC RISK REGISTER AND BOARD ASSURANCE FRAMEWORK (SRR/BAF) 2011/12**

1. INTRODUCTION

1.1 It was recognised that as the 2010/11 SRR/BAF developed it had perhaps become too detailed and might obscure real risks facing the Trust. It is natural as the SRR/BAF matures it can be expected to vary in style, format and reporting frequency to suit the needs of the Trust (whilst meeting the minimum criteria laid down by the Dept of Health). The development of new strategic objectives in line with the Trust's 'Good to Great' strategy and the development of key risks /actions in the creation of the Integrated Business Plan (IBP) risk chapter have provided an opportunity for a review of the 2011/12 SRR/BAF.

2. ASSURANCE FRAMEWORK 2011/12: POSITION AS OF 25 May 2011

2.1 The 2011/12 SRR/BAF is in development and uses the template designed by the Director of Finance and Procurement as the foundation of the document. Development is in two phases as described below:

Phase one

- Redesign of the format of the SRR/BAF.
- Linking of current strategic risks to the UHL objectives.
- Populating the risk register element of the SRR/BAF with risks previously identified by the Executive Team.
- Agreeing the risk owners
- Presentation of the SRR/BAF to the Board for consideration.

Phase two

- Developing the Assurance Framework element of the SRR/BAF. This work will require input from the Executive Directors to understand the key assurance sources and any gaps in control and /or assurance and will be completed during June in order to allow a complete SRR/BAF to be reported to the Board in July and monthly thereafter.

2.2 Phase one is almost complete however there needs to be further discussion by the Executive Team around the clarity of the strategic objectives and the 'best fit' for the risk owners.

2.3 There are a number of changes to the format of this version of the SRR/BAF as detailed below:-

- The document is now produced in A4 size as an MS Word document. It is hoped that this will allow for easier entry of data and improved readability.

- Strategic objectives are listed on the title sheet and are assigned a letter which is subsequently cross-referenced in the SRR/BAF.

- Separate columns are no longer used for risk causes and consequences
- Gross risk score has been removed as this was not shown to be adding any significant value.
- Impact, likelihood and risk severity scores are now shown in single columns.

A draft copy of the 2011/12 SRR/BAF is attached at appendix 1 for consideration by the Board.

2.4 Whilst the SRR/BAF is under development is proposed that any significant material changes to UHL strategic risks are brought to the attention of the Board by the appropriate Executive Director.

3. The Trust Board is invited to:

a) Receive and note this report;
b) Consider and endorse the format of the report;
c) Confirm or challenge the accuracy of the mapping of UHL strategic risks to strategic objectives.

P Cleaver
Risk and Assurance Manager
25 May 2011

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST – STRATEGIC RISK REGISTER/ BOARD ASSURANCE FRAMEWORK 2011/12

PERIOD: 1 APRIL – 25 MAY 2011

STRATEGIC OBJECTIVES

a. Centre of a local acute emergency network
b. The regional hospital of choice for planned care
c. Nationally recognised for teaching, clinical and support services
d. Internationally recognised specialist services supported by Research and Development

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST – STRATEGIC RISK REGISTER/ BOARD ASSURANCE FRAMEWORK 2011/12

Objective	Risk	Consequence	Controls	Net Risk Score (I x L)	Assurance On Controls	Positive Assurance	Gaps in Assurance	Actions for Further Control	Target Risk Score (I x L)	Due Date	Risk / Action Owner
Risk Domain – Strategic / Local Health Economy											
a c	**1. Continued overheating of emergency care system**	Clinical risk within ED Major operational distraction to whole of UHL Financial loss (30% marginal rate) Poor winter planning – inefficient/sub-optimal care		5x4=20				Will require additional support to turn around LLR emergency plan to be implemented	4x3 =12	20/12/12	Chief Executive
a b	**2. New entrants to market (AWP/TCS**	Downside – Loss of revenue Upside – Opportunities for partnerships and to grow revenue		3x4=12				Create new markets and be the new entrants to market wherever possible Agree those services where we will be offensive, defensive or partner Improve market intelligence	4x2=8		Director of Strategy
a b c	**3. Emerging GP commissioning consortia**	Lack of certainty/ continuity of commissioning Loss of revenue Damage to organisational reputation	GP Head of Service	3x4=12				To orientate the business around the needs of our customers To work with commissioners and partners to redesign pathways and models of care that are efficient and effective Identify capacity to support Divisions to undertake service redesign Identify what 'best in class' looks like	2x3=6		Director of Communications

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST – STRATEGIC RISK REGISTER/ BOARD ASSURANCE FRAMEWORK 2011/12

Objective	Risk	Consequence	Controls	Net Risk Score (I x L)	Assurance On Controls	Positive Assurance	Gaps in Assurance	Actions for Further Control	Target Risk Score (I x L)	Due Date	Risk / Action Owner
c d	**4. Specialist services centralisation (EG ECMO, NUH as level 1 Major trauma Centre)**	Staff recruitment difficulties if we aren't seen as a specialist centre in certain services Downside – Significant loss of income and impact from other services where there is currently cross-subsidy Upside – If we become the hub for some specialist services we grow activity and income in those areas		3x4=12				Closer links required with NUH and other tertiary centres To understand the services that should be in our portfolio Reduce the risk of cross subsidy between services Identify the 'top ten' services at risk and undertake a SWOT analysis Develop business plans for each service which will give a clear direction	3x2=6		Chief Executive
Risk Domain - Financial											
a b	**5. Loss making services**	Missed efficiency opportunity – money wasted on inefficient services Risk of 'cherry-picking' of profitable services by commissioners		5x5=25				Use market and internal intelligence to identify services that make money, don't make money and have the potential to make money Ensure business plans for each service demonstrate how the loss making service will make a contribution and then deliver a surplus. Identify at least 10 profitable services and actions plans implemented to address the deficits Incentivise services that make a profit using a balanced scorecard approach	3x3=9		Director of Finance and Procurement

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a b c d	**6. Loss of liquidity**	Unable to invest in core services or develop new services Weakness in negotiating position with partners		4x4=16				Internal liquidity plan to be developed and implemented Restrictions to the UHL Capital Plan to generate cash	3x3=9		Director of Finance and Procurement
a b	**7. Estates issues**	Sub-optimum configuration of services Significant backlog maintenance Over provision of assets across LLR Downside scenario example – failure of electrical infrastructure Upside – Potential for asset disposal in medium to long term.		4x4=16				Develop and implement a targeted Estates Strategy in support of the clinical strategy 'Right size' UHL estate matching supply to demand Identify opportunities to utilise capacity in the community Move services so they are in the right place at the right time to support the delivery of high quality and efficient patient care	3x3=9		Director of Strategy

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Risk Domain – Quality and Performance											
b	**8. Patient experience**	Patients not recommending or choosing UHL leading to reduced activity Contract penalties Reduced income from CQUIN monies		4x3=12				Streamlined and focussed Divisional activity on key patient experience indicators to improve patient experience survey results local and national Patient experience feedback presented in 'dashboard' format improving access and understanding by the Trust Improved data analysis illustrating trends and prediction of key risk areas Patient experience plan to steer Trust improvements Raise awareness of patient experience feedback in all staff groups Celebrate successes and promote across the organisation.	3x2=6		Chief Operating Officer
b **c**	**9. CIP requirement (driven by tariff)**	Quality compromised, increased clinical risk		4x5=20				Quality assess all CIP's for impact on quality of care Develop and invest in a UHL wide approach to 'lean' Identify corporate cross-cutting CIP's and recruit dedicated project managers	4x4=16		Chief Operating Officer

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a b	**10. readmission rates don't reduce**	Contract penalties Leakage of money from NHS to LA's if no agreement on reablement Opportunity cost of readmissions e.g. less capacity		4x4=16				Reduce admissions by 75% by the end of 2011/12 Corporate project to be implemented to reduce readmissions Recruit project manager and establish a project board with representation from each division Develop a bid for the transformation fund to support this work	4x3=12		Medical Director
a b	**11. Lack of coherent IM&T strategy**	Current systems complicated and disjointed leading to significant performance risk Majority of systems become obsolete or no longer supported by 2013/14 Major disruption to service if changeover not managed well Communications with partners is compromised		3x4=12				Need to invest in core EPR or integrated system Develop and implement an IM&T strategy including an improvement programme for the short, medium and long-term Address IT service performance issues and PACS risk Business case to be developed for future systems Appoint interim CIO Transformation bid to be developed for IT Transformation	3x3=9		Director of Strategy
a b	**12. Failure to sustain access targets**	Patient care at risk Reduced choice – reduced activity Contract penalties		3x4=12				Continue to monitor access targets as CIP's are implemented to ensure no impact.	2x2=4		Chief Operating Officer

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Objective	Risk	Consequence	Controls	Net Risk Score (I x L)	Assurance On Controls	Positive Assurance	Gaps in Assurance	Actions for Further Control	Target Risk Score (I x L)	Due Date	Risk / Action Owner
a b c d	**13. Skill shortages**	Sustainability of middle grade rotas Certain nursing grades scarce Quality compromised, increased clinical risk		3x4=12				Continue to build strategic relationships with training partners Work with partners to address gaps in training plans, over recruit where required and take steps to make middle grade rotas more attractive Link workforce redesign to the development of effective patient pathways, to reduce requirement on difficult to recruit posts and / or make the posts more attractive	2x2=4		Director of HR
Risk Domain – Governance and Leadership											
b c	**14. Clinical Leadership**	Inability to responsively change service model to meet changing healthcare needs		4x3=12				Need to be clear what is expected in terms of performance Ensure we have the right people in the right post with the right level of support Ensure our clinical leaders have the right training to fulfil their roles Improve communication with our consultant body Review the Divisional structures 1 year on to see whether there are any further areas for development / improvement	4x2=8		Medical Director

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a b c d	**15. Management Capability / stretch**	Inability to support changes to service model Lack of focus on key metrics and service delivery Gaps in middle management leadership		4x4=16				Supplement internal resource with external capability where required e.g. Corporate CIP Projects) Need to be clear about what is expected in terms of performance. Ensure we have the right people in the right post with the right level of support Ensure our managers have the right training to fulfil their roles. Review the Divisional structures 1 year on to see whether there are any further areas for development / improvement.	3x2=6		Director of HR
b c d	**16. Lack of innovation culture**	Outmoded models of delivery increasingly expensive and vulnerable LLR patients receive sub-optimal care		3x3=9				Reward and recognise innovation Support innovators and reduce unnecessary bureaucracy so that innovations can be implemented We will not support outmoded business models for service delivery Build partnerships to accelerate and import innovation	3x2=6		Director of Strategy